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PLEASE PASS TO AMBASSADOR GEORGE MITCHELL

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TAGS: PREL EAID KPAL KWGB IS AE

SUBJECT: UAE ACTIVITY IN ISRAELI-PALESTINIAN PEACE PROCESS

REF: A) ABU DHABI 146 AND PREVIOUS, B) ABU DHABI 56, C) 08 ABU DHABI 1443, D) 06 ABU DHABI 2971

Classified by Ambassador Richard Olson, reasons 1.4 (b) and (d).

¶1. (C) Summary: As the UAEG hosted the "moderate camp" of Arab ministers February 3, its role in moderating peace in the Middle East came somewhat more into focus. The UAE is a determined player, and consistent coordinator, in Arab efforts to secure stability; its contributions to GCC and Arab League efforts across the board are notable and often in concert with USG priorities. (Iraq-related actions in 2008 offer a case in point, with senior level visits in both directions, debt forgiveness, and dispatch of a UAE Ambassador blazing a path of deepened Arab engagement with Baghdad.) The UAE role in the Israeli-Palestinian equation has been limited, but notable. UAEG budget support for the Palestinian Authority (PA) and cumulative humanitarian aid have reached significant sums (estimated over \$4 billion). UAE participation in Annapolis and related meetings has been consistently supportive of moderate solutions. UAE Foreign Minister Abdullah bin Zayed's (AbZ) Christmas Eve foray into Bethlehem with President Abbas seemed to suggest a desire to be even more proactive -- an effort immediately smothered by turmoil in Gaza. AbZ's coordination of Arab moderates highlights his potential role. That said, the UAEG is risk-averse in setting policy precedents and needs to be engaged quietly and consistently to deepen its role in Palestine. End summary.

A maturing presence

¶2. (S/NF) As oil-enabled prosperity brings ever-increasing ambition and confidence to the UAE, the 37-year-old nation of only 900,000 citizens has gained experience in punching above its weight. Hiding behind the need for "GCC consensus" less often than before (that excuse deflected discussion of Iraqi debt forgiveness through mid-2008), the UAE has expended more effort to forge moderate alliances within the GCC and Arab League on issues of particular import. While it coordinates closely with the traditional powerhouses of Saudi Arabia and Egypt, it considers itself empowered to press its larger brothers into action; indeed, the UAEG is of a younger generation and relatively flexible in blazing new alliances (Abu Dhabi Crown Prince Mohammed bin Zayed [MbZ] often comments pejoratively on the age of his less agile Saudi and Egyptian partners). The UAEG is skeptical -- even disdainful -- of more radical approaches it sees in Syria and Qatar, although it engages all Arabs on a brotherly basis and has developed some expertise in "playing both sides." The UAEG is particularly animated when it perceives Iran's influence encroaching on its regional (and in the long term existential) equities.

Ties to all -- but wary

¶3. (S/NF) With the UAEG's emerging self-confidence, it has the

potential to play a larger role in forging a durable peace for Israel-Palestine. It views the conflict as an impediment to the UAE's own ambitions of a stable region in which to pursue its economic goals, and is a natural proponent of an enduring solution. The UAEG sees regional dynamics as too often playing into the hands of Iran and it seeks a larger role in stunting that expansion. It has ties to virtually all parties to the Israel-Palestinian dispute, although some are less publicized than others. The UAEG clearly supports a strong PA and consistently seeks to bolster President Abbas, but also maintains some contact with Hamas. It has facilitated Israeli business activity in the Gulf in a low key manner, but with sufficient vigor to evidence its desire for productive engagement. (The UAEG and Tel Aviv have some direct dialogue on regional and security issues.) UAE leaders display no innate anti-Jewish sentiment and are not of the generation that remembers the emotions of partition; Israel is a fact for them. The UAEG is stubbornly secular in its approach to governance.

¶4. (C/NF) That said, the UAEG has seen both Palestinian and Israeli leaders come and go, with little progress or creative bargaining for peace on either side, and maintains a healthy skepticism of the various players. Israel is seen as prone to self-serving decisions, deference to internal politics, and quick resort to military solutions, while the Palestinian leadership of often seen as inept or corrupt (or simply unable to manage an unwieldy and divided population). For some UAE citizens, Hamas offers an active alternative to the inertia of both sides, making any Hamas appeal for support potentially attractive; there may be private flows of funding in that direction and the UAEG is well aware of public sympathy (locally and regionally) for "the resistance." While Hamas is anathema to the leadership (representing both the Muslim Brotherhood and Iranian influence -- a double threat), the UAEG has learned to carefully navigate these choppy waters and can offer a realist's perspective on possibilities for peace.

A dedicated donor

¶5. (C) The UAE's primary contribution to Palestinians may be its estimated \$4.2 billion in support for Palestinian causes from 1994 to mid-2008 (this Emirates News Agency estimate generally matches our assessment), with more funds now committed for Gaza aid/reconstruction. From housing to hospitals, food aid to education support, and medical equipment to budget support to help the PA meet salary commitments, the UAE's contribution is significant. Much aid has been channeled through official organizations such as the Red Crescent and mirrors a UAE penchant for large projects on which it can put its name (the \$100 million "Khalifa City" and \$62 million "Zayed City" in the Palestinian territories, for example). The UAEG has given vehicles and materiel as security assistance to PA forces, paid 8 million dirham (\$2.2M) towards the construction of a new Palestinian Embassy in Abu Dhabi (and likely pays some of the mission's operating expenses), and hosts an estimated 200,000 Palestinian residents -- many long-term.

¶6. (S/NF) These contributions have been made partially to appease a UAE population demanding action to support ailing Palestinian neighbors, but also with a genuine desire to assist the less fortunate and an obvious interest in stabilizing the neighborhood. The UAEG has nonetheless been burned more than once with a feeling that its contributions were undermined, sometimes by Israeli military action and sometimes by Palestinian capacity failings. (January 22 press reports of "Sheikh Zayed City damaged by Israeli airstrikes" were a poignant reminder of donations negated; an air strike on a convoy of UAE-donated ambulances in southern Lebanon in 2006 was another sad commentary on undermined humanitarian gestures [ref D].)

¶7. (S/NF) In spite of a penchant for largesse, apparent Israeli designations of key UAE charities as having potentially assisted Hamas (Red Crescent and Mohammed bin Rashid charities) also inhibits both the flow of funds and the depth of UAE engagement. Frustrations aside, donations continue, increasingly through UN channels, and in the aftermath of Gaza the UAEG hosted Arab moderates for a February 2-3 review of how best to support Palestinian ambitions. It seeks to remain in the game.

Active coordinator among moderates

¶8. (C/NF) Often working in concert with USG priorities (whether these are directly coordinated with us or simply match our moderate motives), the UAEG actively seeks moderate solutions while working to sideline immoderate voices (Qatar is a frequent target of disparaging remarks). USG demarches on the eve of Arab League or GCC meetings often meet with a UAEG comment that we are working towards the same ends; it may be to our advantage to have a closer "inside track" into UAEG thinking at the senior levels. UAE participation in Annapolis and related meetings is consistently supportive of a moderate approach. The UAE openly supports the 2002 Arab peace initiative and refers generally to "fair" or "peaceful" solutions without specific reference to clear policy positions (such as "two-state solution" or other constructs that might limit its flexibility). The UAEG prefers to avoid risks associated with getting out in front with potentially controversial policies, yet thrives in a behind-the-scenes coordination role generally supportive of U.S. aims.

¶9. (S) The UAEG is also motivated to pursue results to fend off public cries of "inaction" in the face of tragedies like Gaza. (The UAE is not necessarily in danger of being radicalized, yet the UAEG needs the moderate track to bear sustainable fruit to keep it actively in the game.) Given the preeminence of Palestine in the Arab psyche, progress on that front would bear fruit in other areas of UAE concern in the region as well.

¶10. (S/NF) UAE Foreign Minister AbZ's Christmas Eve foray into Bethlehem with President Abbas seemed to suggest a desire to be even more proactive -- an effort immediately smothered by turmoil in Gaza. AbZ has a history of working with Levant and Palestinian issues, has personal ties with key players, and is empowered to coordinate foreign affairs for the UAE (in close consultation with his elder brother Abu Dhabi Crown Prince MbZ). UAE coordination of the moderate camp of Arab foreign ministers is yet another indication that it is a core player ready for a more defined place in regional peace making.

OLSON